



# Financial Results First Quarter FY2022

**Nitto Denko Corporation**

July 26, 2022





# Contents

2

**1** **Results for Q1 FY2022** P3

**2** **Full-year Forecast for FY2022** P12

**3** **Supplementary Data** P16



**1**

# Results for Q1 FY2022

## Summary of Financial Results

4

### Results for Q1 FY2022

|         |                     |                  |                    |
|---------|---------------------|------------------|--------------------|
| Revenue | <b>216.4 B. yen</b> | Operating Income | <b>38.5 B. yen</b> |
|---------|---------------------|------------------|--------------------|

### YoY

|         |                                |                  |                                |
|---------|--------------------------------|------------------|--------------------------------|
| Revenue | <b>+12.7 B. yen</b><br>(+6.2%) | Operating Income | <b>+8.8 B. yen</b><br>(+29.6%) |
|---------|--------------------------------|------------------|--------------------------------|

- While Information Fine Materials was particularly impacted by China city lockdown, growth was achieved for Flexible Printed Circuits and Life Science (oligonucleotide contract manufacturing)
- Impact of yen weakness on operating income was 14.5 B. yen

## Q1 FY2022 Results

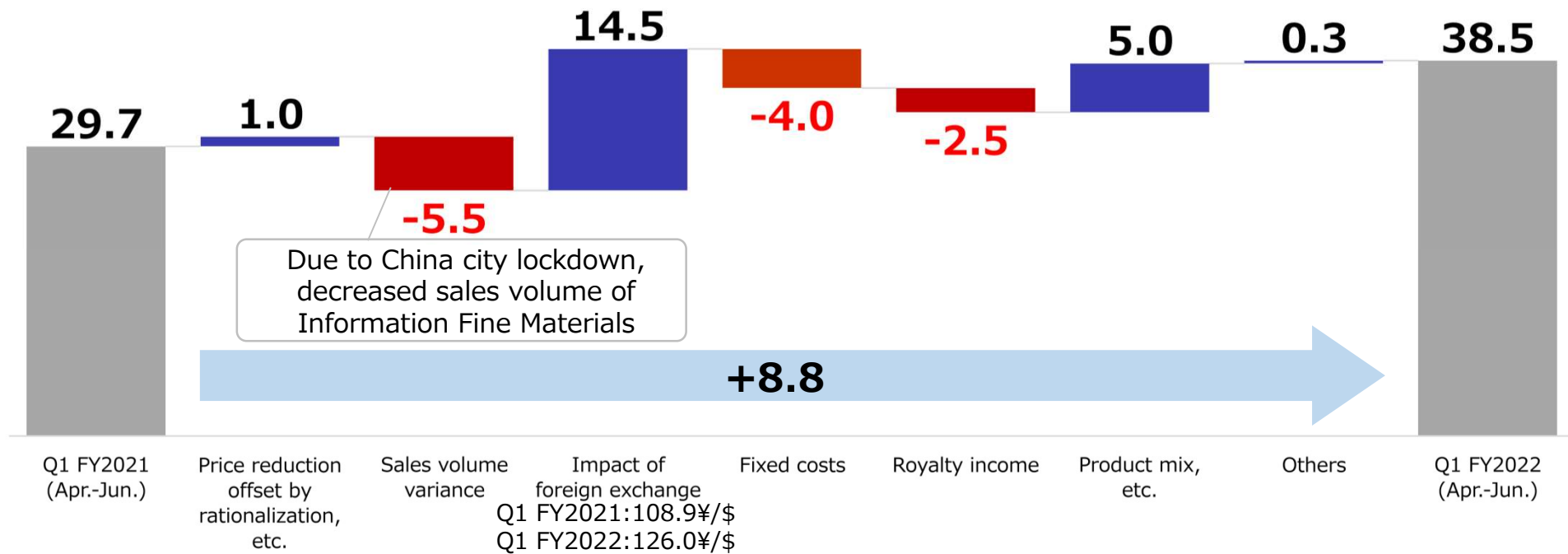
5

(Billion yen)

|                                | Q1 FY2021<br>(Apr.-Jun.) | Q1 FY2022<br>(Apr.-Jun.) | YoY   | Change<br>% |
|--------------------------------|--------------------------|--------------------------|-------|-------------|
| Revenue                        | 203.7                    | 216.4                    | +12.7 | +6.2%       |
| Operating income               | 29.7                     | 38.5                     | +8.8  | +29.6%      |
| Operating income<br>to revenue | 14.6%                    | 17.8%                    | +3.2% | —           |
| Income before<br>income taxes  | 29.6                     | 38.7                     | +9.0  | +30.5%      |
| Net income                     | 20.9                     | 26.5                     | +5.6  | +26.8%      |
| Yen/1US\$                      | 108.9                    | 126.0                    | +17.1 | +15.7%      |

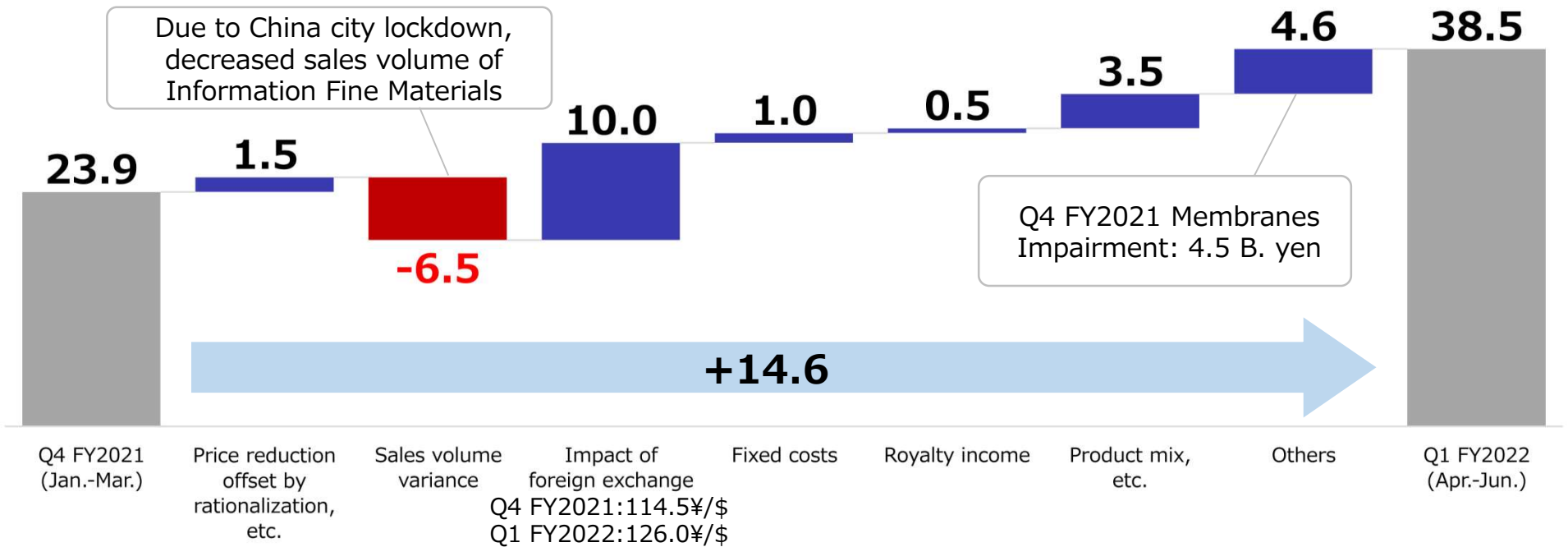
# Q1 FY2022 YoY Operating Income Change Analysis

(Billion yen) \*Figures in analysis are estimates



# Q1 FY2022 QoQ Operating Income Change Analysis

(Billion yen) \*Figures in analysis are estimates



## Q1 FY2022 Results by Segment

8

(Billion yen)

| Upper row: Revenue<br>Lower row: Operating<br>income | Q1 FY2021<br>(Apr.-Jun.)    | Q1 FY2022<br>(Apr.-Jun.)    | YoY                         | Change<br>%                   |
|--|-----------------------------|-----------------------------|-----------------------------|-------------------------------|
| <b>Industrial Tape</b>                               | 82.5<br>10.7                | 83.6<br>8.4                 | +1.1<br>-2.3                | +1.3%<br>-21.7%               |
| <b>Optronics</b>                                     | 106.7<br>17.3               | 111.4<br>25.7               | +4.7<br>+8.4                | +4.4%<br>+48.2%               |
| <b>Human Life*</b>                                   | 18.9<br>3.5                 | 25.8<br>5.0                 | +6.9<br>+1.5                | +36.2%<br>+41.5%              |
| Others   | 0<br>-1.4                   | 0<br>-1.4                   | 0<br>0                      | —<br>—                        |
| Corporate/Elimination                                | -4.5<br>-0.5                | -4.5<br>0.9                 | 0<br>+1.4                   | —<br>—                        |
| <b>Total</b>   | <b>203.7</b><br><b>29.7</b> | <b>216.4</b><br><b>38.5</b> | <b>+12.7</b><br><b>+8.8</b> | <b>+6.2%</b><br><b>+29.6%</b> |

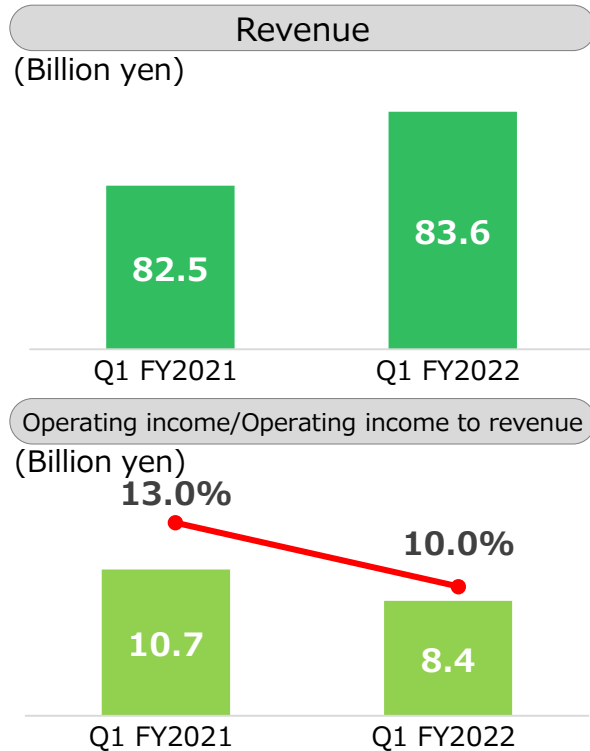
\*Since "Human Life" has been newly established in the reporting segments from Q1 FY2022, some changes are made as follows:

1. "Human Life" includes "Life Science" and "Membrane" which was previously included in "Others".
  2. "Others" includes new businesses.
- Such changes have also been reflected in the figures for Q1 FY2021.



## Results by Segment: Industrial Tape

9



|                  |                                |
|------------------|--------------------------------|
| Revenue          | <b>83.6 B. yen</b> (YoY +1.3%) |
| Operating income | <b>8.4 B. yen</b> (YoY -21.7%) |

### ■ Electronics

- Increased demand for bonding materials for assembly of high-end smartphones due to movement of customers to secure parts and materials

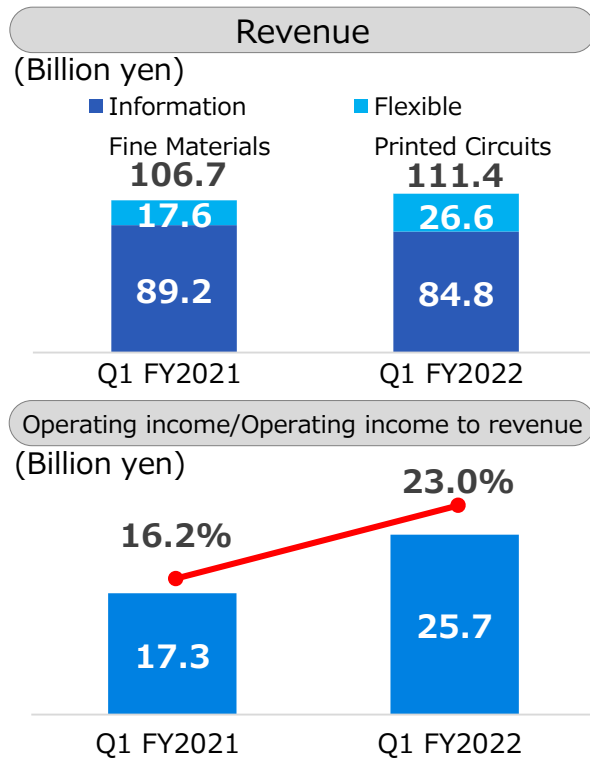
### ■ Process Materials

- Increased production of semiconductors used in PCs and data centers, etc.

### ■ Others

- Decreased demand for automotive materials and general industrial materials
- Cost increases due to rising raw material prices, etc.

# Results by Segment: Optronics



|                         |                                 |
|-------------------------|---------------------------------|
| <b>Revenue</b>          | <b>111.4 B. yen</b> (YoY +4.4%) |
| <b>Operating income</b> | <b>25.7 B. yen</b> (YoY +48.2%) |

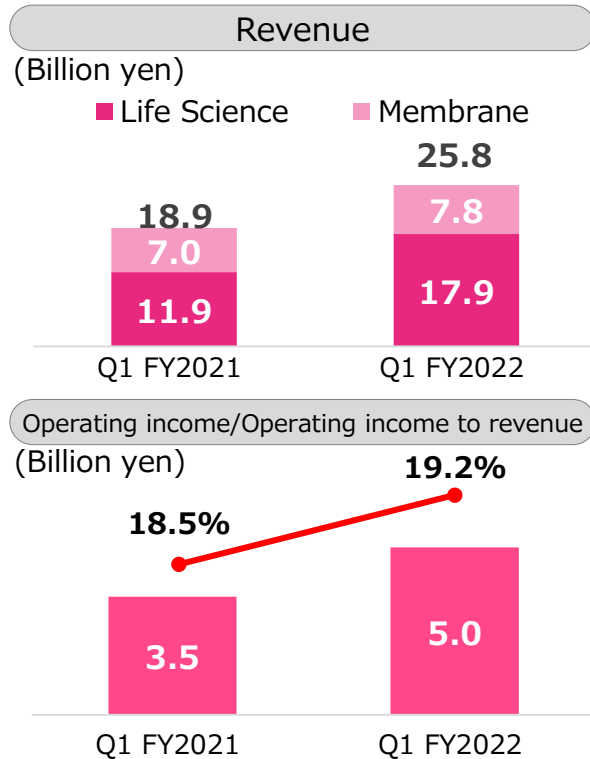
### ■ Information Fine Materials

- Production of optical films for smartphones, laptops and tablet devices was restricted due to China city lockdown

### ■ Flexible Printed Circuits

- Increase in CIS demand due to increased production of HDDs for data centers with high capacities
- Increased number of models in high-end smartphone adopting high-precision circuits greatly contributed to results

# Results by Segment: Human Life



|                         |                                 |
|-------------------------|---------------------------------|
| <b>Revenue</b>          | <b>25.8 B. yen</b> (YoY +36.2%) |
| <b>Operating income</b> | <b>5.0 B. yen</b> (YoY +41.5%)  |

## ■ Life Science

- In oligonucleotide contract manufacturing, immunologic adjuvants for COVID-19 vaccines grew
- Oligonucleotide synthesis material (Nitto Phase™) grew with rapid growth in nucleic acid drug market
- In medical products, demand for transdermal patches and surgical tapes demand has recovered from impact of COVID-19.

## ■ Membranes

- Increased demand for high-polymer separation membranes for industrial applications

  
**2**

## Full-year Forecast for FY2022

## Full-year Results Forecast for FY2022

13

(Billion yen)

|                             | FY2021 | FY2022 Forecast | YoY    | Change % |
|-----------------------------|--------|-----------------|--------|----------|
| Revenue                     | 853.4  | 955.0           | +101.6 | +11.9%   |
| Operating income            | 132.3  | 160.0           | +27.7  | +21.0%   |
| Operating income to revenue | 15.5%  | 16.7%           | +1.2%  | —        |
| Income before income taxes  | 132.4  | 160.0           | +27.6  | +20.9%   |
| Net income                  | 97.2   | 115.0           | +17.8  | +18.3%   |
| Yen/1US\$                   | 111.8  | 120.0           | +8.2   | +7.2%    |

## Full-year Results Forecast for FY2022 by Segment

14

(Billion yen)

| Upper row: Revenue<br>Lower row: Operating income | FY2021                       | FY2022<br>Forecast           | YoY                           | Change<br>%                    |
|---|------------------------------|------------------------------|-------------------------------|--------------------------------|
| <b>Industrial tape*</b>                           | 319.3<br>37.8                | 345.0<br>41.5                | +25.7<br>+3.7                 | +8.0%<br>+9.8%                 |
| <b>Optronics</b>                                  | 459.6<br>96.6                | 485.0<br>119.0               | +25.4<br>+22.4                | +5.5%<br>+23.2%                |
| <b>Human Life*</b>                                | 92.2<br>7.2                  | 143.0<br>11.0                | +50.8<br>+3.8                 | +55.1%<br>+52.1%               |
| Others  | 0<br>-5.9                    | 0<br>-6.5                    | 0<br>-0.6                     | —<br>—                         |
| Corporate/Elimination                             | -17.6<br>-3.4                | -18.0<br>-5.0                | -0.4<br>-1.6                  | —<br>—                         |
| <b>Total</b>                                      | <b>853.4</b><br><b>132.3</b> | <b>955.0</b><br><b>160.0</b> | <b>+101.6</b><br><b>+27.7</b> | <b>+11.9%</b><br><b>+21.0%</b> |

\*Some changes have been made to reporting segments as follows:

1. The personal care components business of Mondi, acquired in the first quarter of FY2022, will be newly established as "Personal Care Materials" in the "Human Life".
2. Certain related businesses have been transferred from "Industrial Tape" to "Personal Care Materials". Such changes have been reflected in the figures for FY2021 and FY2022.



<Notes regarding this material>

1. Forward-looking statements such as those relating to earnings forecasts and other projections contained in this material are management's current assumptions and beliefs based on currently available information. Such forward-looking statements are subject to a number of risks, uncertainties and other factors. Accordingly, actual results may differ materially from those projected due to various factors.
2. Amounts and rates (%) are rounded off to the nearest whole unit.

3

# Supplementary Data

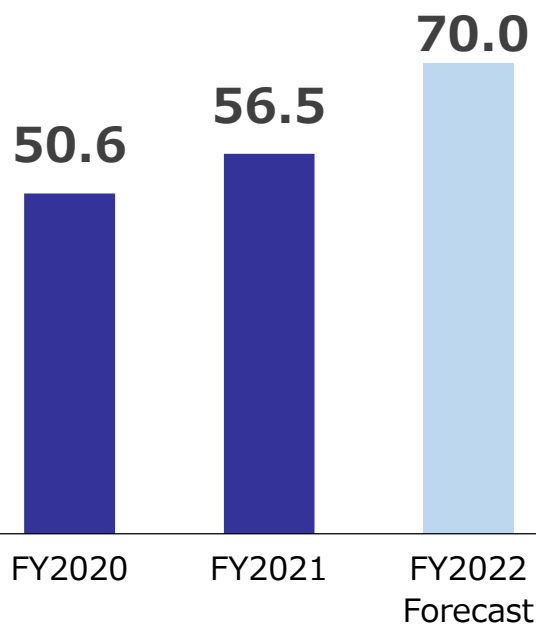


# Capital Expenditure, Depreciation and Amortization, R&D Expenditure

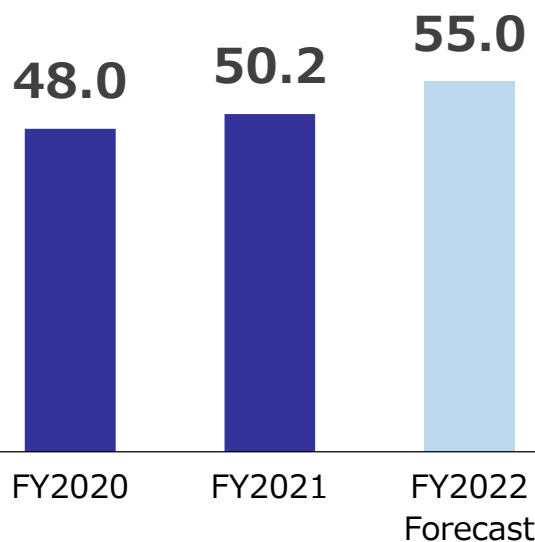
17

(Billion yen)

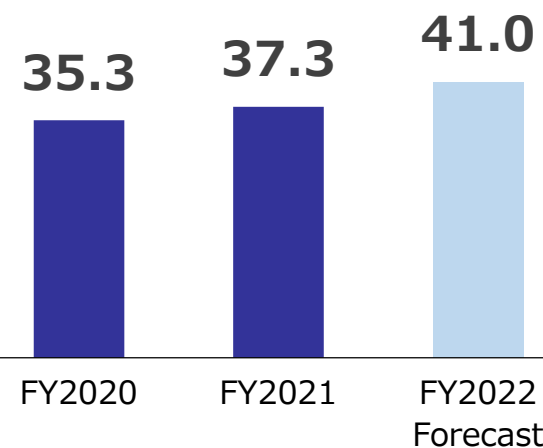
## Capital Expenditure



## Depreciation and Amortization



## R&D Expenditure



## Consolidated Cash Flow Statement

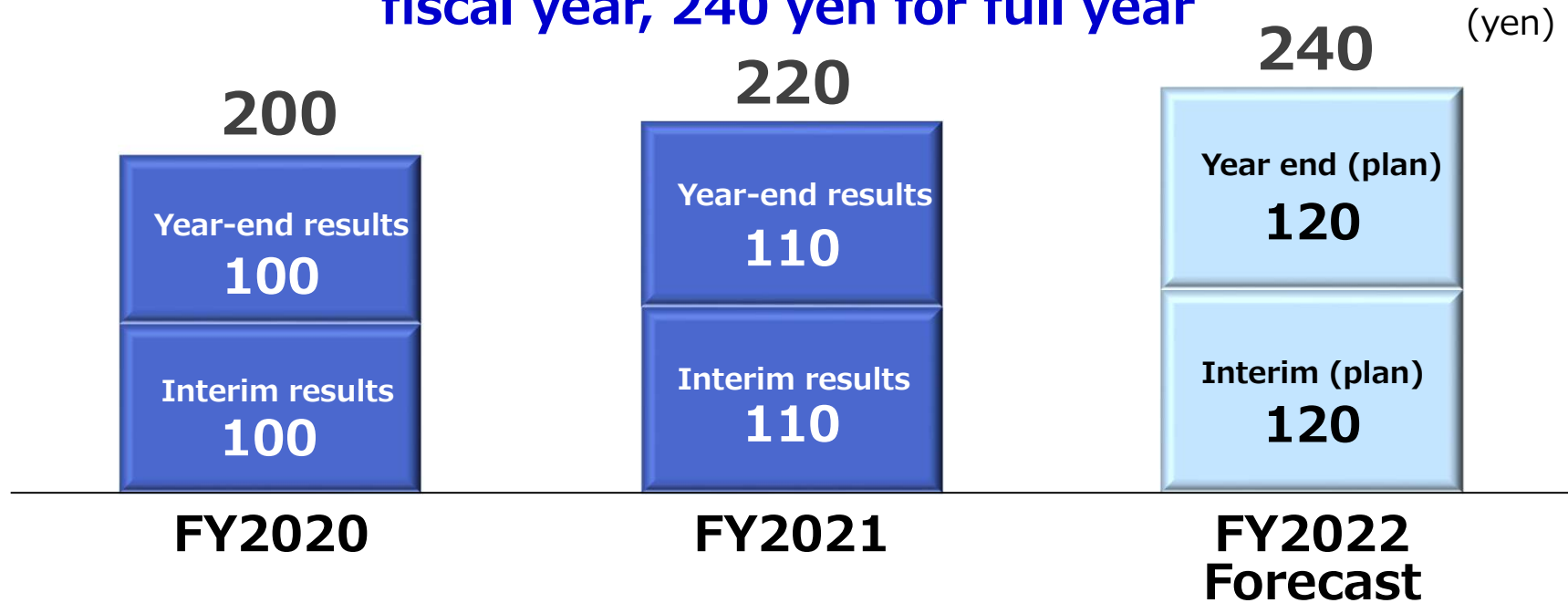
18

(Billion yen)

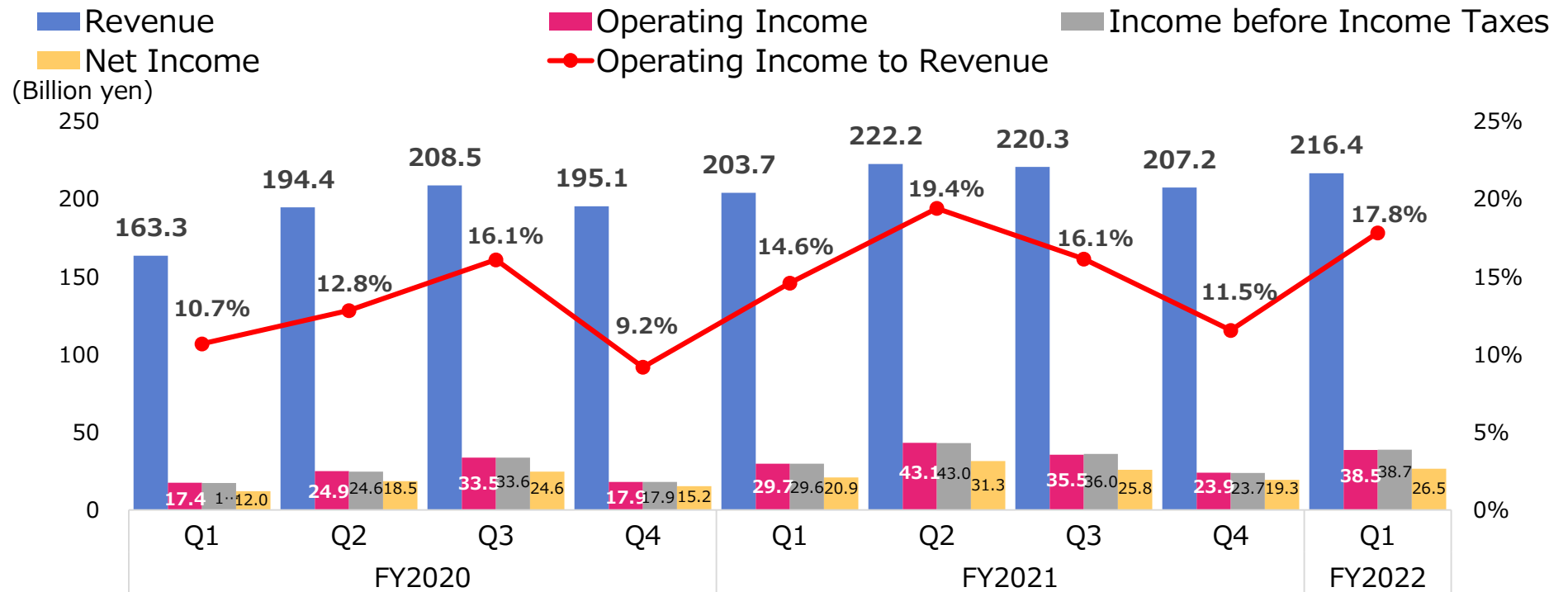
|   | Q1 FY2021 | Q1 FY2022 | YoY   |
|---|-----------|-----------|-------|
| Cash flows from operating activities<br>(Operating CF)          | 14.7      | 21.3      | +6.6  |
| Cash flows from investing activities<br>(Investment CF)         | -12.0     | -111.5    | -99.5 |
| Free cash flow (FCF)  | 2.7       | -90.2     | -92.9 |
| Cash flows from financing activities<br>(Financial CF)          | -16.8     | -18.0     | -1.2  |
| Effect of exchange rate changes on cash<br>and cash equivalents | 0.4       | 10.2      | +9.8  |
| Net increase (decrease) in cash and cash<br>equivalents         | -13.7     | -98.0     | -84.3 |
| Cash and cash equivalents at the end of<br>the period           | 287.2     | 264.0     | -23.2 |

## Shareholder Returns

**Dividend of 120 yen per share planned for current fiscal year, 240 yen for full year**



# Performance Trend (Quarterly)



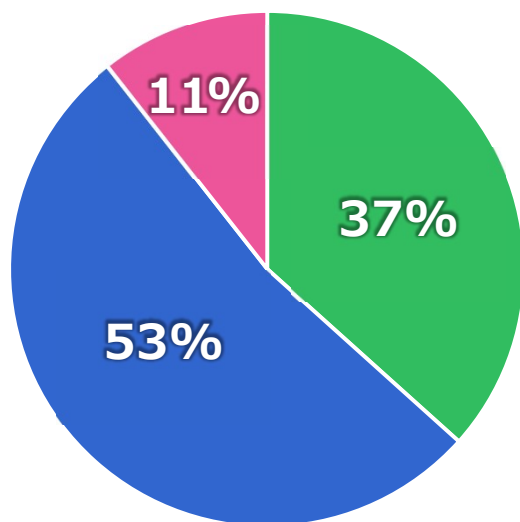
# Business Portfolio Status

(\*Component ratios not including Corporate/Elimination) 21

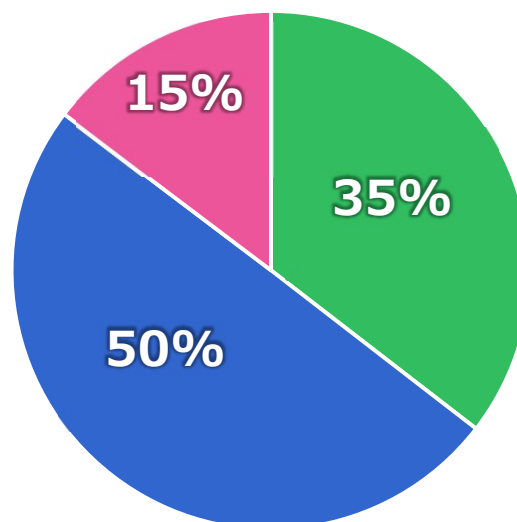
## Revenue

■ Industrial Tape   
 ■ Optronics   
 ■ Human Life   
 ■ Others

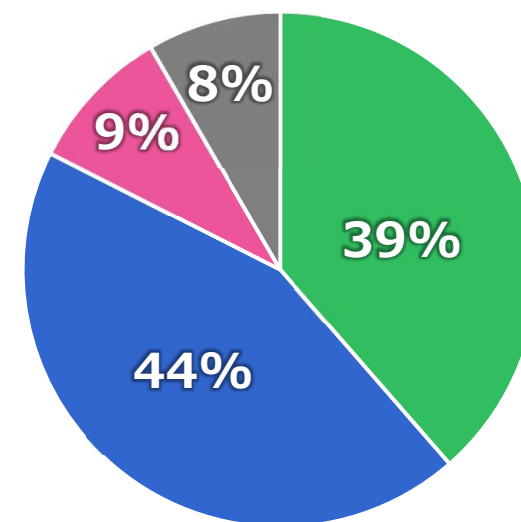
**FY2021 results**  
853.4 B. yen  
(111.8 ¥/\$)



**FY2022 forecast**  
955.0 B. yen  
(120.0 ¥/\$)



**FY2023 mid-term plan**  
920.0 B. yen  
(105.0 ¥/\$)



# Business Portfolio Status

(\*Component ratios not including Corporate/Elimination and negative segments)

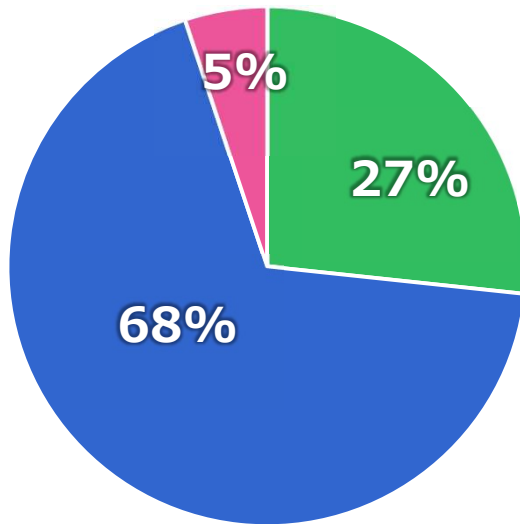
## Operating Income

Industrial Tape

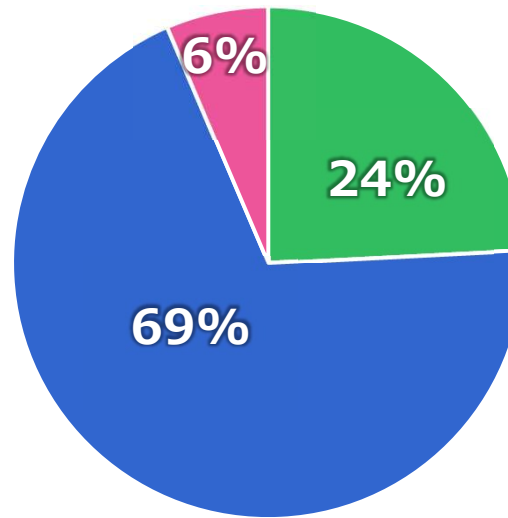
Optronics

Human Life

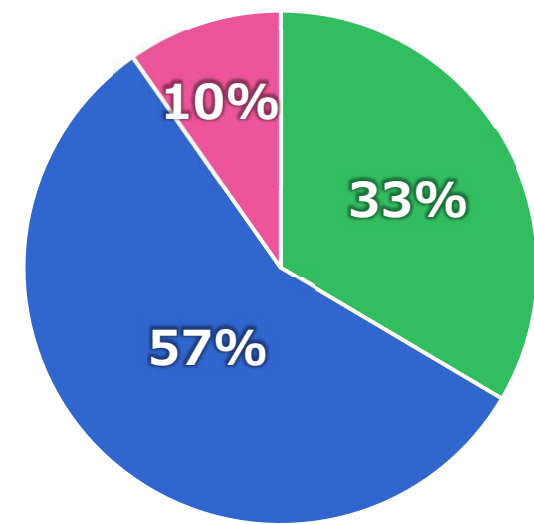
FY2021 results  
132.3 B. yen  
(111.8 ¥/\$)



FY2022 forecast  
160.0 B. yen  
(120.0 ¥/\$)



FY2023 mid-term plan  
140.0 B. yen  
(105.0 ¥/\$)



# Disclosure Segment Categories

Up to FY2021

| Segment                               |                            |
|---------------------------------------|----------------------------|
| Industrial Tape                       |                            |
| Optronics                             | Information Fine Materials |
|                                       | Flexible Printed Circuits  |
| Life Science                          |                            |
| Others<br>(Membranes, New businesses) |                            |

Disclosed on April 26, 2022

| Segment                 |                            |
|-------------------------|----------------------------|
| Industrial Tape         |                            |
| Optronics               | Information Fine Materials |
|                         | Flexible Printed Circuits  |
| Human Life              | Life Science               |
|                         | Membranes                  |
| Others (New businesses) |                            |

Updated on July 26, 2022

| Segment                 |                            |
|-------------------------|----------------------------|
| Industrial Tape         |                            |
| Optronics               | Information Fine Materials |
|                         | Flexible Printed Circuits  |
| Human Life              | Life Science               |
|                         | Membranes                  |
|                         | Personal Care Materials    |
| Others (New businesses) |                            |



***Nitto***

Innovation for Customers